

ABSTRACT

CORPORATE DEBT RESTRUCTURING IN INDIA: AN OVERVIEW OF THE SCHEME

*Pankaj Sevtia

The global financial crisis that paved its way into India in 2008 and 2009 shattered the financial health of the companies affected by a tightening of credit and weaker consumer demand. The non-performing assets ('NPAs') for banks were on the rise. The cases filed in the corporate debt restructuring cell ('CDR Cell') increased at a rapid pace. By the end of March 2009, thirty-four cases were filed with the CDR Cell as against the 10 filed at the end of the previous year. These cases were mainly from the textile and steel sectors that suffered highly because of a lag in exports. It went to show that companies were unable to deal with the high level of debt they had accumulated over time and such cases were an inevitable result of the same

